

TYPES OF ENTERPRISES AND THEIR TAX SYSTEM

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This article analyzes the tax system for private enterprises in Uzbekistan, its role in economic development and its impact on business activities. The tax system serves as a regulatory and development tool for business entities. The research analyzed tax burdens, benefits, tax administration and tax law problems faced by private enterprises. Also, the impact of tax policy on the growth of various economic sectors and the role of attracting foreign investments will be discussed.

In Uzbekistan, there are main types of taxes such as corporate income tax, value added tax (VAT), property tax, land tax and social taxes, each of which has a different impact on the sustainability of business activities. In recent years, the government has implemented reforms to reduce the tax burden, simplify and digitize tax processes. The results of the research show that further simplification of the tax system and ensuring a fair tax burden is an important factor in the development of entrepreneurship.

The article also analyzes the impact of important economic sectors such as construction, transport and logistics on the tax system, and emphasizes that the development of these sectors will bring additional income to the state budget, create new

jobs and stimulate economic growth. The results of the article can be useful in understanding the relationship between private enterprises and tax policy and in developing effective strategies for improving the tax system.

INTRODUCTION. The enterprise is the head of social production, and it is scientific the main economic issues of the economy are solved. Creation of products and provision of services are certain technological processes, labor weapons, materials, knowledge and skills of people, social division of labor and refers to a system that is implemented independently based on cooperation. The enterprise provides jobs, pays wages, and pays taxes to the state participates in the implementation of social programs. It is the production processes of the product and the production of the worker in the enterprise interaction with tools is carried out. The enterprise manages its activities by itself, the produced product is obtained disposes of the remaining part after paying taxes and other fees. Size and range of products produced in enterprises, variety, raw material suppliers and buyers form prices, resources economical use, use of personnel, high-performance equipment and technology usage issues are resolved.

According to the legislation of the Republic of Uzbekistan, the enterprise is a legal entity has the status of an independent economic entity and belongs to him satisfying the demands of consumers (buyers) based on the use of their property and produces and sells a product (work, service) in order to gain income (profit) or exchange.

An enterprise is a product that meets social needs and is intended to make a net profit producer, contractor, service provider is an economic subject. Entrepreneurship is not an abstract thing, it is expressed in the activities of companies. The firm is the market company working for an enterprise is a firm, a plant, a factory, whatever property it belongs to are managed by names. Agriculture is an exception it is called a farm. Joint-stock companies also operate in agriculture. The company produces and provides services of a certain type of product specializes, operates according to the market, becomes economically independent. During the transition to the market economy, the independence of firms is somewhat limited will be Firms and farms, firstly, if they work for the free market, and secondly, they work according to the order of the state, they sell the goods to the state according to the purchase price. That's it they are semi-independent.

Literature review

Firms are divided into small, medium and large enterprises depending on the scale of their activity is divided. The number of workers in Uzbekistan is up to 50 people in industry and construction, others in production - up to 25 people, in the field of science and scientific services - up to 10 people, in retail trade - enterprises with up to 5 employees are considered small enterprises.

A plethora of business types operate within the global market. While there are numerous similarities between them, significant differences emerge with respect to their interaction with:

International Company - This domestic company is pursuing an expansion strategy into global markets, leveraging its corporate office as a key operational base. The objective of the company is to gain access to international markets. The organisation will modify its products/services, yet will not alter its operational procedures. To illustrate this, we can consider the following example: Honda, a globally renowned automotive manufacturer, exemplifies this approach, with its vehicles maintaining a consistent design and functionality across international markets.

Global company-This type of company is a multinational entity that exercises control over its operations from its headquarters. It is conceivable to regard such a corporation as a unified entity. It combines all its activities in each country, with the aim of maximising its effectiveness on a global scale. For instance: A notable example of this phenomenon is Coca-Cola, widely regarded as the preeminent global brand.

Multi-domestic Company-The company under scrutiny adopts a unique stance by prioritising local responsiveness over global standardisation. The organisation adopts a "Local first" approach. The company's products and services are adapted to specific regions in order to address the needs of those regions. Furthermore, the company demonstrates a preference for hiring local employees, thereby fostering a sense of connection with the communities within which it operates. For instance: A notable illustration of this strategy is McDonald's, which offers distinct menu options such as French fries in North America and rice in Asia.

The effective functioning of business entities is a decisive factor in the economic development of the state. Businesses are required to pay various taxes during their activities. The tax system, in turn, plays an important role in filling the state budget, regulating the economy, and financing social programs. Therefore, it is important to analyze the relationship between business entities and the tax system in depth.

The types and amounts of taxes for business entities differ significantly depending on the country, the legal form of business (for example, sole proprietorship, limited liability company, joint-stock company, etc.) and the type of activity. However, in general, the following tax types are common:

➤ **Corporate Income Tax:** This is the basic tax levied on the net profit of a company. Corporate income tax rates vary across countries and in some jurisdictions can be progressive (the rate increases as profits increase) or regressive (the rate decreases as profits increase).

➤ **Value Added Tax (VAT):** This is an indirect tax applied in most countries and added to the price of goods and services. The amount of VAT depends on the country and is usually calculated as a percentage of the price. Businesses collect VAT and remit it to the government, where they are entitled to deduct the VAT paid on their purchases.

➤ **Property Tax:** This tax is levied on land, buildings and other assets owned by the business. The amount depends on the appraised value of the property, location and other factors.

➤ **Land Tax:** This tax is levied on plots of land. The amount depends on the land area, location and quality of the land.

➤ **Payroll Taxes (Social Security Taxes):** These are taxes that businesses pay to the government on their employees' wages. These taxes fund pension funds, health care, and other social programs. These taxes are often split between the employer and the employee.

➤ **Excise Tax:** This is an indirect tax levied on specific goods and services (eg alcohol, tobacco, fuel).

➤ **Patent tax:** In some countries, this is a simplified tax system for sole proprietors and small businesses. The amount depends on the type of activity and location.

➤ **Customs charges:** These are charges related to import and export transactions.

➤ **Taxes for utilities (water, electricity, etc.):** These are usually included in the cost of utilities.

The above taxes are general and each country may have its own characteristics. For specific information on tax types and rates, it is recommended to refer to the official websites of the relevant state tax authorities. It is also helpful to consult with a qualified accountant or tax advisor. A modern enterprise is an independent economic entity that produces them means of production and other property of the state, as in a planned economy will not belong only to himself. Therefore, according to the form of ownership of enterprises, the state and non-state, mechanical engineering, energy, metallurgy, oil and gas

according to sector indicators industry, construction complex, food, light industry, trade, etc., manufacturing according to the scale and number of large, micro and small employees for the working period according to it, it is divided into continuous, seasonal and long-term enterprises.

The enterprise can be characterized according to various signs:

- From the point of view of production - technical relations, the enterprise is a manufacturing enterprise volume and types of products, quantity and quality of their production technology compatible mechanism system;
- In social relations - the enterprise is between employees of different categories relations arising on the basis of their rights and obligations;
- In organizational-legal relations, the enterprise operates as a legal entity;
- In financial and economic relations, an enterprise is an independent branch of the network is self-financing, self-management, that is, the market operates on the principles of relations.

The most important characteristics of enterprises are their branch; size; covering different aspects of production; degree of specialization and the scale of production of the same type of products; method of production organization and its mechanization and automation; organizational and legal forms depend on forecasting.

Methods and materials

Different forms of ownership in different branches and sectors of Uzbekistan's economy there are 300,000 economic entities with 280 thousand are small enterprises and micro-firms. Most of the companies most of them are trade and catering (34%), agriculture (41%), industry (9.4%) and construction (56%) are registered. Non-state in the amount of total enterprises the share of the sector is large and makes up 82%.

In recent years, intensive reforms are being implemented in order to develop our country from a socio-economic point of view, to support entrepreneurs and to create equal competitive conditions for them.

This Law defines the main directions of the tax policy for 2024, in which the tasks set by the President in the framework of the open dialogue with entrepreneurs to simplify business, reduce the tax burden, in particular, to increase the competitiveness of local producers, to improve the procedure for taxing self-employed persons, to ensure the continuity of the value added tax chain, to use natural resources effectively and rationally, and the expected inflation of tax rates set in absolute amounts It is assumed that it will be indexed based on

the level. At the same time, with this Law, amendments are made, which provide that the income of parents, which is directed to pay for the education of their children in professional and higher educational institutions, will be exempted from taxation, as well as the fee for the entry and transit of foreign vehicles into the territory of our country can be paid in the customs territory. (Passed by the Legislature on December 15, 2023 Approved by the Senate on December 20, 2023).

The number of enterprises with the capital of foreign countries is increasing

As of February 1, 2025, the number of enterprises and organizations operating with foreign investment participation reached 15,163.

The countries with the highest share are as follows:

Country	Number of companies
China	3467
Russia	2973
Turkey	1869
Kazakhstan	1060
South Korea	660
USA	303

The increase in the number of campaigns involving foreign investment will also affect the tax system;

1. Taxes from Foreign Investments: Companies with foreign capital operating in Uzbekistan pay corporate income tax, VAT, excise taxes, and customs duties. An increase in their number can increase government budget revenue.

2. Job Creation and Income Tax: Foreign investment-based companies create new jobs. This leads to increased income tax and social security contributions from employee salaries.

3. International Cooperation and Tax Incentives: Specific tax incentives may be applied to some foreign investors. This is a crucial aspect of the tax system, impacting budget revenue forecasting.

4. Customs and Import Taxes: Companies with foreign capital often import their technology and raw materials. This increases customs duties and VAT revenue from imports.

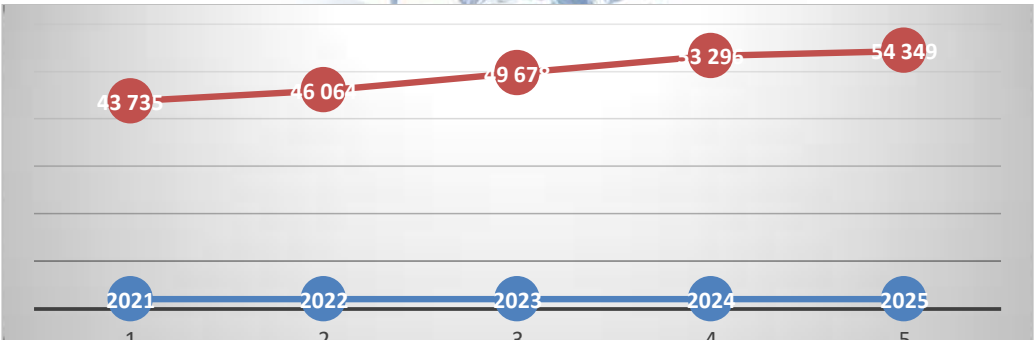
5. Impact on Local Businesses and Taxes: Competition from foreign companies may encourage local businesses to expand their operations. This leads to an overall expansion of the tax base.

The number of enterprises in the construction sector has been increasing in recent years.

As of February 1, 2025, the number of registered enterprises in the construction sector reached 54,349, showing a 2% increase compared to the same period in 2024.

The dynamics of the last five years are as follows:

Year	Number of companies
2021	43 735
2022	46 064
2023	49 678
2024	53 296
2025	54 349



This indicator leads to some changes in the tax system;

1. Increased Tax Revenue: An increase in the number of companies operating in the construction sector can lead to higher tax revenue from these companies (VAT, corporate income tax, social security contributions).

2. New Jobs and Expanded Tax Base: Growth in the construction sector creates more jobs. This leads to increased income tax and social security contributions based on wages.

3. Revenue from Licenses and Permits: The construction sector requires numerous permits and licenses. An increase in the number of these generates higher fees for the state budget.

4. Tax Compliance and Control: Monitoring the taxpaying capacity of newly established companies and preventing illegal activities becomes a crucial task for tax authorities.

5. Impact on Construction Material Production and Sales: A rise in construction companies increases demand for construction materials. This affects the number of companies producing and selling these materials and, consequently, their tax contributions.

Growth of Enterprises in the Transportation and Storage Sector

As of February 1, 2025, the number of registered enterprises in the transportation and storage sector reached 25,890, reflecting a 4.4% increase compared to the same period in 2024.

Five-Year Growth Dynamics (as of February 1):

- 2021: 18,420 enterprises
- 2022: 19,349 enterprises
- 2023: 21,989 enterprises
- 2024: 24,793 enterprises
- 2025: 25,890 enterprises

This steady increase in enterprises indicates growth in logistics, transportation, and warehousing services, driven by rising trade volumes, e-commerce expansion, and infrastructure development. From a taxation perspective, the growing number of businesses in this sector means:

1. Higher tax revenue from corporate income tax and VAT on logistics services.
2. Increased employment, leading to more personal income tax contributions.
3. Expansion of customs duties and excise taxes, particularly in import-export logistics.
4. A broader tax base, reducing the burden on other industries.

This growth highlights the sector's increasing role in Uzbekistan's economy, emphasizing the need for efficient tax policies, investment incentives, and infrastructure improvements.

Conclusion. The tax system is an important component of economic management and directly affects the development, stability and expansion of private enterprises. Discussions about the tax system in Uzbekistan show that the variability of tax rates, incentives and control mechanisms have a significant impact on business activity, investment decisions and

overall economic growth. This conclusion summarizes the main results of the research and presents important ideas on the impact of the tax system on private enterprises.

The tax system serves as a regulatory and developmental tool. On the one hand, it helps finance public services and infrastructure projects by ensuring that businesses contribute to the state budget. On the other hand, an excessive tax burden can slow business growth, increase operating costs, reduce profitability, and inhibit rather than encourage entrepreneurship. In order to solve these problems, the government of Uzbekistan is trying to implement various tax reforms, create a favourable environment for business and ensure economic stability.

The expansion of various economic sectors has a direct impact on tax policy. The increase of enterprises in the fields of construction, transport and logistics allows to increase state revenues, which makes it possible to expand the tax base without placing an excessive tax burden on individual business entities. For example, the construction industry shows steady growth, which leads to increases in corporate income tax, VAT on construction materials, and employment taxes. Similarly, the development of the transport and logistics sector will cause an increase in fuel taxes, vehicle registration fees and customs duties. It is important for the government to promote the growth of these industries while ensuring a fair tax system for maintaining economic stability.

In conclusion, the tax system in Uzbekistan plays an important role in the formation of the business environment. As an integral part of economic management, the tax policy should be aimed at encouraging entrepreneurship and investments.

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